



Foreign Agricultural Service

**GAIN Report**

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 8/13/2002

GAIN Report #JA2535

## Japan

### Market Development Reports

#### Food Business Line

*Periodic Press Translations from ATO Tokyo*

**2002**

Approved by:

**Mark A. Dries, Director, ATO Tokyo**

**U.S. Embassy, Tokyo**

Prepared by:

Akiko Matsuyoshi, Marketing Clerk

---

**Report Highlights:** A summary of current news reports as translated from Japan's mass media and food press. This issue includes: USDA Secretary Veneman's purchase of a U.S.-produced beef and rice *bento* lunch box enroute to attend the Quint Agricultural Meeting; *Ryoshoku* and *Nichirei* announce plans for frozen food business consolidation; *Mycal* announces additional store closings; *AEON* President notes success of US cherry promotion campaign; *Japan Chain Store Association* reports member-company sales rose slightly for first time in 43 months in June 2002 due to sales increase for at-home dining during televised World Cup soccer matches; *Japan Food Service Association*, in contrast, reports June sales down over 6 percent during World Cup; *Ajinomoto Frozen Foods* curtails purchases of Chinese spinach due to food safety concerns; and Japan's Health Ministry discloses the names of three Chinese-manufactured diet aids suspected of causing health damage.

---

Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Tokyo ATO [JA2], JA



## Food Business Line

Periodic Press Translations from ATO Tokyo

Vol II, Issue 14 July 15-31, 2002

### Retail/Wholesale

- *Ryoshoku* and *Nichirei* announced on July 22 that they will conduct a merger of their frozen food wholesale subsidiaries in October 2003. The new company is expected to become the largest chilled and frozen food wholesaler, exceeding *Yukijirushi Access*. (a 7/23)
- According to the *Japan Chain Store Association*, total sales of its member supermarkets in June 2002 increased 0.1% on a same-store basis compared with the same month last year. It was the first increase in 43 months, primarily due to a 3.1% increase in food sales brought about by the increased number of people buying food in supermarkets for preparation at home while watching World Cup soccer matches. (b 7/27)
- According to the *Japan Department Store Association*, total sales of its member department stores in June 2002 declined 1.1% on a same-store basis compared with the same month of last year. This was the third consecutive month of decline. (b 7/27)
- *Mycal* announced on July 24 that it plans to close about 10 more stores, leaving approximately 110 stores remaining open. Added to the 19 stores that were closed in late January, the new figure brings the number of stores the company has decided to close since it went bankrupt last September to about 30, a smaller number than originally expected. (a 7/25)
- In further news regarding *Mycal*, *AEON's* President Okada (also serving as a restructuring administrator for *Mycal*) commented, "lower rents and improved productivity have allowed us to hold the number of *Mycal's* closing stores down." Okada also noted the success of the US cherry campaign, held from June 28-30. US cherry sales trebled compared to last year as a result of the campaign. (f 7/29)

### Food Service

- *Seiyo Food Systems Kyushu* plans to change all of its "CASA" family restaurants in the Kyushu region into a pub restaurant named "Hakata Gofu" by the end of 2002. After the transformation, there will be 25 "Hakata Gofu" restaurants in all. (b 7/23)
- According to the *Japan Food Service Association*, total sales of its member companies in June 2002 declined 6.1% on a same-store basis compared to the same month last year. It was the 55<sup>th</sup> month of decline. The main reason cited was the reduction of customers eating out in favor of watching World-Cup soccer matches at home. (b 7/27)

### Food Processing/New Products/Market Trends

- The President of *Ajinomoto Frozen Foods* commented on July 12 that they will stop selling Chinese frozen spinach in Japan until a reliable inspection system is established in China. (f 7/18)
- *Kirin Brewery* started selling "Maroyaka Koubo, -Mild Yeast" beer on July 10 and its "Tarunama Houshiki" beer server set on June 19. The marketing concept that makes these two new products unique is that they are refrigerated throughout the process of delivery. (b 7/23)

- The domestic wholesale price of imported frozen salmon is going up due to the reduced catch in Alaska and rising prices of competing farm-raised salmon. (a 7/23)
- Japan's Health, Labor, and Welfare Ministry disclosed the names of three Chinese diet aid products suspected of causing health damage to some consumers in Japan. The three products named are Huabei Shoumei, Shubao, and a diet pill marketed under the Xianzhisu brand. The Ministry hopes to call consumers' attention to the dangers of these diet aids by announcing the product names. It is also asking firms to stop importing and selling these products. The Ministry is not, however, imposing a ban on imports or sales under the Food Sanitation Law due to a lack of confirmation of the substances used. Investigations will be conducted on 15 other diet aid products that have received complaints, after which the Ministry plans to release the names of products it finds unsafe, even if unauthorized substances are not detected. (a 7/24)
- On July 19, Japan's major food wholesalers, *Kokubu* and *Ryoshoku*, announced that they will launch a joint distribution business on August 2. The new company, *Food Logistics Network*, will deliver food and liquor products in bulk to wholesalers, reducing the frequency of deliveries and slashing costs by 10% compared with conventional direct shipments from manufacturers. (f 7/25)

#### **ATO/Cooperator/Competitor Activities/Trade Shows**

- USDA Secretary Veneman, on her way to attend the Quint Agricultural Meeting in Nara Prefecture, stopped by Tokyo Station on July 25 to purchase a U.S.-produced spicy *yakiniku* grilled beef and rice "bento" lunch box. The product, one of *Nippon Restaurant Enterprise (NRE)*'s "O-Bento" series, is made at *NRE*'s factory in California using U.S. organic ingredients. Sales started in Japan in July 2001. [ATO note: product series ingredients include: rice, vegetables, natural beef, Alaska salmon, and free-range chicken]. (Kotsu 7/29)

#### **RRRRRRRR**

##### **Sources**

- |                                  |   |
|----------------------------------|---|
| (a) The Japan Economic Newspaper | (b) The Nikkei Marketing Journal        |
| (c) The Japan Food Journal       | (d) The Beverage & Food News Commentary |
| (e) The Japan Food News          | (f) The Food Industry News              |

DISCLAIMER - *Food Business Line* is derived from major Japanese news wires, mass distribution press, and food industry newspapers and magazines. Inclusion of an item in *Food Business Line* does not imply agreement by USDA or U.S. Embassy/Tokyo; nor does USDA or U.S. Embassy/Tokyo attest to the accuracy or completeness of the translation of the news item. ATO Tokyo cannot further translate or send source materials to users.